

ORP - Primary Retirement Plan – Plan Type

Background

The Optional Retirement Program (ORP) is the Primary Retirement Plan that establishes a life time retirement benefit through the use of annuity contracts. The higher the balance in your account the greater the annuity payments you may receive. ORP is a 401(a) defined contribution plan. It is non contributory in the sense that the employee makes no contributions to the plan. The State as the employer makes contributions on behalf of the employee.

Three Legged Stool

Often planning for retirement brings to mind the three legged stool concept. Retirement income is to be composed of your employer's primary retirement plan, social security income, and personal savings. You have the greatest impact on your personal savings. You can also provide for your higher retirement income stream by making a larger portion if not all of your ORP balances go toward an annuity.

Separate Savings Opportunities

Talk to your campus retirement benefit and human resource offices to find out about the State of Tennessee Deferred Compensation Program or visit www.treasury.state.tn.us/dc . The Deferred Compensation Program includes a 457 and a 401(k) plan. Save early in your career through regular payroll deductions. Increase your deferrals as your income increases.